

Management Report On Final Action



October 1, 1998 - September 30, 1999

MANAGEMENT REPORT ON FINAL ACTION

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BACKGROUND The Inspector General Act Amendments of 1988 (IGAA) require departments and agencies to report twice a year to Congress on the actions they have taken and the amount of funds recovered or saved in response to the IG's audit recommendations. This report gives the status of IG reports in the Department, and summarizes the results of actions taken to implement IG audit recommendations during the reporting period.

DEPARTMENTAL FINDINGS For the fiscal year covered by this report, the Department accomplished the following:

- o Initiated action to recover \$259 million through collection, offset, or other means (see Table I);
- o Completed action to recover \$93 million through collection, offset, or other means (see Table I);
- o Initiated action to put to better use \$862 million (see Table II);
- o Completed action that over time will put to better use \$997 million (see Table II).

At the end of this period there are 239 reports over a year old with uncollected balances or unimplemented monetary findings. The reasons these reports are still pending are found in the notes to the tables.

THE HHS PROCESS There are three key elements to the HHS audit resolution and follow-up process:

- o The Operating Divisions (OPDIVs) have lead responsibility for implementing and follow-up on IG audit recommendations.
- o The Assistant Secretary for Management and Budget (ASMB) establishes policy and monitors OPDIV compliance with audit follow-up requirements.

MANAGEMENT REPORT ON FINAL ACTION (continued)

- o If necessary, the ASMB or the Deputy Secretary resolves conflicts between the OPDIVs and the IG.

Departmental Conflict Resolution

In the event that OPDIV and IG staff cannot resolve differences on specific report recommendations, a conflict resolution mechanism is available.

The conflict resolution process escalates the disagreement through a series of steps designed to resolve the conflict within six months of the final audit report. If the OPDIV and the IG cannot resolve their disagreement within 135 days, the IG, OPDIV or the ASMB may request that the Audit Resolution Council (ARC) be convened. The Deputy Secretary, who would chair the ARC, makes the final decision for the Department. There were no disagreements requiring the convening of the Council.

STATUS OF AUDITS IN THE DEPARTMENT

In general, OPDIVs follow up on IG recommendations effectively and within regulatory time limits. The OPDIVs usually reach a management decision within the six-month period that is prescribed by PL 100-504 and OMB Circular A-50. For the most part, they also complete their final actions on IG reports, including collecting disallowed costs and carrying out corrective action plans, within a reasonable amount of time. However, we continue to monitor this area to improve procedures and assure compliance with corrective action plans.

Report on Final Action Tables

The following tables summarize the Department's actions in collecting disallowed costs and implementing recommendations to put funds to better use. The tables are set up according to the requirements of section 106(b) of the IG Act Amendments of 1988 (PL 100-504).

TABLE I

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Management Action on Costs Disallowed in
Inspector General Reports
As of September 30, 1999
(\$ in thousands)

	Number	Disallowed Costs \$
A. Reports for which final action had not been taken by the commencement of the reporting period. See Note 1.	289	369,247
B. Reports on which management decisions were made during the reporting period. See Note 2.	263	258,729
Subtotal (A & B)	552	627,976
C. Reports for which final action was taken during the reporting period:		
(i) The dollar value of disallowed costs that were recovered through collection, offset, property in lieu of cash, or otherwise.	230	93,001
(ii) The dollar value of disallowed costs that were written off by management.	15	3,403
Subtotal (i & ii)	245	96,404
D. Reports for which no final action has been taken by the end of the reporting period. See Note 3.	307	531,572

Note 1: Includes adjustments of amended disallowances and disallowances excluded from the previous reporting period.

Note 2: This represents the amount of management concurrences with Inspector General's recommendations. This amount includes \$7,230,000 in management decisions that had not been recorded for the 1999 Office of Inspector General's Semi-Annual Reports, Table I, Line C.

Note 3: Includes the following lists of 239 Audits over one year old with outstanding balances to be collected. It includes audits under administrative or judicial appeal, under current collection schedule and legislatively uncollectible.

**Audit Reports Over One Year Old
With Outstanding Balances To Be Collected
As of September 30, 1999**

	Auditee	Date Issued	Amount \$	Explanations
01-90-05013	NARRAGANSETT	10/90	28,515	ACF--At Dept. of Treasury for offset.
01-91-06601	Connecticut/OCS	03/94	224,099	ACF--At Dept. of Treasury for offset.
01-94-25303	Waterbury/OCS	09/94	4,370	ACF--Payment Plan.
01-94-25904	Massachusetts/CC	02/95	9,225	ACF--under appeal.
01-95-32620	Connecticut/FC	05/97	4,070	ACF--Pursuing collection action.
01-95-37194	Indian Township	03/96	44,244	ACF--under appeal.
01-96-38182	Connecticut/FC	09/96	50,292	ACF--under appeal
01-96-39813	Pleasant Point/L	11/96	18,265	ACF--Treasury Offset Program.
01-96-43461	Connecticut/IV-E	01/97	1,902	ACF--under appeal.
01-97-44081	Vermont	10/97	28,252	ACF--pursuing collection action.
01-98-49834	Meri-Weather	05/98	60,864	ACF--Treasury offset program.
02-90-08393	Law Enforcem Comm.	06/90	22,597	ACF--Treasury offset program.
02-91-14405	Bedford Stuyvesa	03/92	369,770	ACF--partial appeal.
02-91-14535	Bedford Stuyvesa	03/92	373,231	ACF--referred to DOJ.
02-91-14845	Harlem Commonwealth	05/91	238,233	ACF--payment plan.
02-94-20022	New York IV-E	02/97	6,223,000	ACF--pursuing collection action.
02-95-02001	New York IV-E	02/97	945,022	ACF--pursuing collection action.
02-95-02005	Middlesex County	12/96	173,656	ACF--under appeal.
02-95-33649	Puerto Rico	12/96	1,433	ACF--under appeal.
02-97-47637	Puerto Rico IV-B	09/97	9,703	ACF--pursuing collection action.
03-91-14545	PA/WIN/Demo	06/91	800,885	ACF-under appeal.
03-92-17167	NI Coal Hispanic	06/92	1,555	ACF--At Dept. of Treasury for offset.
03-93-21104	PA/CSBG	03/94	150,000	ACF--under appeal.
03-94-27065	PA/CSBG	09/95	150,000	ACF--under appeal.
03-95-33212	PA/CSBG	09/95	137,207	ACF--under appeal.
03-95-00451	DC/Foster Care	08/97	420,606	ACF--pursuing collection action.

	Auditee	Date Issued	Amount \$	Explanations
03-96-39886	Halifax CCA/HS	05/96	53,280	ACF--Payment plan.
03-97-00587	Little Neighbor	01/98	300,465	ACF--Treasury offset program.
03-97-43787	Virginia/CCDBG	06/97	952,635	ACF--pursuing collection action.
03-97-47731	Delaware	09/97	11,880	ACF--pursuing collection action.
03-97-48111	Virginia/CCDBG	09/97	1,201,873	ACF--pursuing collection action.
03-97-48850	Little Neighborhood	11/97	91,193	ACF--At Dept. of Treasury for offset.
04-89-06323	Tallapoosa CAA	04/90	35,934	ACF--payment plan.
04-91-06594	Mountain Valley	09/92	196,213	ACF--referred to DOJ.
04-92-17186	Mountain Valley	09/92	203,420	ACF--referred to DOJ.
04-93-23833	Mountain Valley	07/93	212,759	ACF--referred to DOJ.
04-93-00051	Haitian Task	03/94	200,207	ACF--referred to DOJ.
04-93-00059	Florida/ORR	12/97	24,088	ACF--Treasury offset program.
04-93-20785	Florida/Refugee	12/93	64,929	ACF pursuing collection action.
04-94-26346	PUTNAM-CLAY	09/94	86,292	ACF--At Dept. of Treasury for offset.
04-94-28234	NW GEORGIA	02/94	578,045	ACF--Treasury Offset Program.
04-94-29814	Reach Services	09/94	804	ACF payment plan.
04-94-30737	Mountain Valley	07/94	39,095	ACF referred to DOJ.
04-94-31826	W. CENTRAL GEORGIA	07/94	141,243	ACF-Treasury Offset Program.
04-95-32922	PUTNAM-CLAY-FLAG	01/95	284,172	ACF-- pursuing collection.
04-95-36519	DEKALB COUNTY	08/95	81,245	ACF pursuing collection.
04-96-38688	State of KY.	10/96	271,612	ACF pursuing collection.
04-96-42408	Oldham County	10/96	5,793	ACF-under appeal.
04-96-44126	Anderson-Oconee	02/97	143,366	ACF Treasury Offset Program.
04-97-44101	Tennessee IV-Ep	01/98	370,446	ACF--pursuing collection action.
04-97-45327	Mobil Community	07/97	127,705	ACF- Treasury Offset Program.
04-97-47475	Wash County Opp	11/97	273,151	ACF--payment plan established.

	Auditee	Date Issued	Amount \$	Explanations
04-97-49121	Florida	05/98	282,553	ACF-Treasury offset program.
05-95-00022	Illinois/IV-E	07/96	2,742,181	ACF pursuing collection action.
05-97-48402	Montgomery Cty.,CAA	11/97	79,374	ACF-District Court.
06-90-00052	Mexican Amer/Dis	04/92	1,590,600	ACF referred to DOJ.
06-94-32825	Texas Migrant/HS	04/95	70,556	ACF pursuing collection action.
06-95-36853	Albuq-Bernalilo	11/95	208,445	ACF under appeal.
06-96-40858	CADD0/HS	06/95	43,339	ACF--Payment plan .
06-96-42096	Education SV CT	09/96	728,757	ACF-under appeal.
06-97-44674	Tri-County	04/97	34,703	ACF- Treasury Offset Program.
06-97-45868	South Plains HS	07/97	1,972	ACF-under appeal
06-97-46216	E. Texas Family	09/97	12,497	ACF-Treasury Offset Program.
06-97-47730	Tri-County HE	12/97	2,451	ACF-Treasury Offset Program.
06-97-47939	Albuq/Bernalillo	08/97	210,330	ACF- Treasury Offset Program.
07-91-00413	Union Sarah Econ	01/93	633,625	ACF-Payment plan established.
08-91-15416	RAPID CITY AMER	02/92	30,257	ACF--Treasury Offset Program.
08-91-15417	RAPID CITY AMER	02/92	21,224	ACF--At Dept. of Treasury for offset.
08-92-00598	ANISHINAUBAG	08/93	43,267	ACF--At Dept. of Treasury for offset.
08-92-17549	RAPID CITY AMER	06/92	30,248	ACF--At Dept. of Treasury for offset.
08-96-01024	Child Opportunity Pro	06/97	1,483,771	ACF--pursuing collection action.
09-65148	YAVAPAI APACHE	08/86	14,814	ACF--At Dept. of Treasury for offset.
09-87-05251	YAVAPIA APACHE	04/88	32,662	ACF--At Dept. of Treasury for offset.
09-92-06592	Intertribal Cnl	09/93	181,900	ACF--payment plan.
09-92-06550	Butte County Cac	08/94	66,300	ACF--payment plan.
09-93-00083	California/Child Sup	09/97	1,429,837	ACF--pursuing collection action.
09-93-00106	California/Refugee	05/97	29,269	ACF--pursuing collection action.
09-93-21254	Arizona HS	09/93	184,274	ACF--At Dept. of Treasury for offset.
09-93-23668	CTR of EDUCATION	11/93	12,070	ACF pursuing collection.
09-93-23892	Fresno County HS	08/93	25,523	ACF--under appeal.
09-93-26204	Tohono Odham HS	02/94	90,077	ACF--under appeal.
09-94-27281	Arizona Affiliate	09/94	2,563	ACF--under appeal.

	Auditee	Date Issued	Amount \$	Explanations
09-94-28246	Butte County CAC	08/94	8,825	ACF--payment plan.
09-94-30207	Fresno County HS	11/94	22,062	ACF--under appeal.
09-95-31383	COCOPAH/HS	05/96	76,861	ACF--under appeal.
09-95-35961	Fresno County HS	08/95	29,215	ACF--under appeal.
09-96-00066	California	06/98	6,611,640	ACF--pursuing collection action.
09-96-00071	California/IV-E	04/98	15,693,626	ACF--pursuing collection action.
09-96-40113	Protec. & Advo.	04/98	80,574	ACF-under appeal.
09-96-40114	Protec. & Advo.	04/98	36,988	ACF-under appeal.
09-96-40115	Protec. & Advo.	04/98	56,344	ACF-under appeal.
09-96-42061	Tohono Odham HS	11/96	369	ACF-under appeal.
09-97-48953	Chemehuevi Ind.	06/98	5,246	ACF-under appeal.
01-89-00518	Blue Shield of MA	10/90	216,053	HCFA has instructed the carrier to calculate and recover the overpayments.
01-90-00500E	B/C of Massachusetts	09/90	7,048,076	HCFA and the hospital have signed a repayment agreement.
01-91-00508	AETNA LIFE-PARTS A&B ADM.	01/92	223,655	HCFA--Additional documentation from the contractor requests for review by OIG.
01-92-00517	BC of MA	04/93	160,122	HCFA is pursuing collection of the overpayment.
01-92-00523	MA BC/BS-Part B Lab Tests	01/94	2,250,000	HCFA is waiting a decision by the Assistant US Attorney in Boston pending criminal charges.
01-93-00512	BC/BS of MA - LAB TESTS	07/94	426,817	HCFA is pursuing collection of the overpayment.
01-94-00510	BC/BS of MS - ADM COSTS	04/95	130,299	HCFA is pursuing collection of the overpayment.
01-95-00005	DHS, NH DHS	07/96	30,565	HCFA is pursuing collection of the overpayment.
01-95-00503	G/A & CAPITOL MCLEAN HO - ADM COSTS	08/95	186,190	HCFA is pursuing collection of the overpayment.
01-96-00001	MASSACHUSETTS STATE DIVISION of MEDICAL ASSISTANCE	07/96	1,711,898	HCFA is pursuing collection of the overpayment.

	Auditee	Date Issued	Amount \$	Explanations
01-96-00513	Separately billable ESRDL Lab Test	12/96	6,300,000	HCFA sent tapes and instructions to Fis and Ros. OIG has not yet completed the carrier tapes.
01-96-00519	National Medical Care, Inc.	09/97	4,319,361	HCFA is pursuing collections.
02-86-62015	Empire BC/BS	03/88	1,277,575	Contractor appealed and court has ruled in favor of contractor. HCFA has filed an appeal in July 1993.
02-86-62016	EMPIRE BC/BS	08/88	3,027,672	Contractor has signed the closing agreement. An amended OCD is being prepared.
02-91-01003	EMPIRE BC/BS - OVERPAYMENTS	07/91	829,551	The contractor is in the process of recouping the overpayment.
02-91-01022	Prudential Ins.- ADM	03/92	6,837,167	HCFA is negotiating with the contractor on the outstanding overpayment.
02-91-01043	SSS - PART B/ESRD PATIENT	04/93	844,292	HCFA is in the process of collecting the overpayment.
02-92-01004	NJ DHS - CREDIT BALANCES FOR EIGHT HOSPITALS	09/93	89,839	Recovering of the overpayment is in progress.
02-92-01021	BCBSNJ - CREDIT BALANCES	06/95	14,900,000	HCFA is in the process of collecting the overpayment.
02-92-01023	BETH ISRAEL MED CTR - G&A	03/93	7,741	The contractor is in the process of removing the unallowable costs from the 1990 Cost Reports.
02-93-01005	EMPIRE BC/BS - PART B ADM	03/95	576,683	HCFA is pursuing collection of the overpayment.
02-93-01023	ISLAND PRO	10/94	155,540	Recovery of the overpayment is in progress.
02-96-01034	Staff Builders Home Health Incorporated	01/98	2,046,576	Recovery of the overpayment is in progress.
03-92-00150	ELMIRA JEFFRIES MNH	01/94	164,188	The State is in the process of collecting the overpayment.
03-92-00201	COMMONWEALTH of VA - CRED	01/93	205,177	The State is in the process of making a final determination on the overpayment.
03-92-00602	PA DPW - UPPER LIMIT	09/94	230,520	HCFA is pursuing collection of the overpayment.
03-93-00013	OMEGA MEDICAL LAB	11/93	1,102	HCFA is pursuing collection of overpayment.

	Auditee	Date Issued	Amount \$	Explanations
03-93-00025	PBS - LAB FEE SCHEDULES	09/95	953,377	HCFA is in the process of collecting the overpayment.
03-95-38380	COMMONWEALTH of VA (OGM)	03/96	68,333	HCFA is currently pursuing collection of overpayment.
04-91-02004	HCFA RO IV (FL BS - MSP)	09/93	4,147,919	Contractor is pursuing collection of the remaining overpayment.
04-92-01022	NC DEPT. of HUMAN RESOURCES	11/92	645,340	HCFA initiated a verification process to determine the final disposition of the hospital credit balances. This verification stage is ongoing, and HCFA anticipates that the audit may be closed in the near future.
04-93-20876	STATE of NC (OGCFM LEAD)	07/93	27,617	HCFA is awaiting documentation from the State to verify that funds were returned.
04-94-01096	HUMANA MEDICAL PLANS, INC. - ESRD	04/95	624,048	HCFA is pursuing collection of the overpayment with the contractor.
04-95-02110	SC BC (Hospice of Lake & Sumter, Inc.) - ORT	04/97	4,000,000	HCFA is reassessing this situation.
04-95-02111	SC BC (Hospice of Florida Suncoast, Inc.) - ORT	03/97	14,800,000	HCFA is reassessing this situation.
04-94-33005	STATE of MS (OGM)	08/95	63,140	HCFA will review the State's supporting documentation to ensure that the payment adjustments have been made.
04-95-33088	STATE of NC (OGM)	09/95	11,098	The State is in the process of determining how much of the overpayment has already been returned to HCFA.
04-95-38310	STATE of MS (OGM)	03/96	9,069,408	The State is in the process of determining how much of the overpayment has already been returned to HCFA.
04-96-01131	IHS -Fl. (Green Briar) - ORT	11/97	202,780	HCFA is pursuing collection.
04-96-01132	BC/BS of FL (Miami Jewish Home and Hospital) - ORT	04/97	91,991	Contractor is pursuing collection of the remaining overpayment.
04-96-01138	BC/BS of FL (Lawnwood Reg. Med. Ctr.) - ORT	04/97	111,986	Contractor is pursuing collection of the remaining overpayment.

	Auditee	Date Issued	Amount \$	Explanations
04-96-01148	IHSI- SNE Burbank IL. - ORT	11/97	148,955	HCFA is pursuing collections.
-4-96-38655	State of NC (OGM)	01/97	5,053	HCFA is reviewing the State's supporting documentation to ensure that the payment adjustments have been made.
05-90-00013	BC/BS of MI - ADMIN	12/90	2,413,388	This audit must remain open pending resolution of the contractor's termination audit, any related termination agreement and pending lawsuits.
06-92-00043	BC/BS of Tx, Inc. - GME Costs	03/94	4,252,743	Collection activity suspended pending resolution of an objection lodged by two Medicare providers' legal counsel with the OIG, OGC on January 26, 1994.
06-95-00095	Palmetto Gov. Ben. Admin. (Fam Hospice/Dallas) - ORT	04/97	871,306	HCFA is reassessing whether seeking the identified OIG hospice overpayment is the appropriate action to take.
06-96-00027	Palmetto Gov. Ben. Admin. (VNA of TX Hospice) - ORT	04/97	1,156,341	HCFA is reassessing whether seeking the identified OIG hospice overpayment is the appropriate action to take.
06-97-47756	State of LA (OGM)	09/97	357,089	The amount identified in the audit is a statistical projection. The State is in the process of determining the actual provider overpayments.
07-91-00471	BC/BS OF MI - SEG.	12/92	5,021,873	This audit must remain open pending resolution of the contractor's termination audit, any related termination agreement and pending lawsuits.
07-91-00473	BC/BS of FLORIDA, INC PENSION SEGMENTATION	08/93	4,755,565	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension account.

	Auditee	Date Issued	Amount \$	Explanations
07-92-00525	BC/BS of MI, INC. - PENSION	12/92	2,135,884	This audit must remain open pending resolution of the contractor's termination audit, any related termination agreement and pending lawsuits.
07-92-00604	WVA BC/BS - Term Pension	01/93	617,644	Contractor was declared insolvent and placed in receivership. The DOJ has filed a claim on behalf of HCFA for the amount due HCFA. The courts will determine how much, if any, Medicare will recover.
07-92-00608	BC/BS of MISSOURI - DENIED OUTPATIENT CLAIMS	06/93	960,615	HCFA will be verifying that corrective action has been completed by the fiscal intermediary.
07-93-00680	BC/BS of NC - UNFUNDED PENSION COSTS	10/94	293,629	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
07-93-00712	PA BS - PENSION	05/95	521,675	HCFA is in the process of collecting the overpayment.
07-93-00713	PA BS - PENSION	06/95	5,490,995	HCFA is in the process of collecting the overpayment.
07-94-00744	IASD HEALTH SERVICES CORP. - PENSION SEGMENTATION	09/94	3,079,484	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreement will subsume and close out the currently outstanding pension audits.
07-94-00745	IASD HEALTH SERVICES CORP. - UNFUNDED PENSION	05/94	574,804	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.

	Auditee	Date Issued	Amount \$	Explanations
07-94-00746	IASD HEALTH SERVICES CORP. - PENSION SEGMENTATION	05/94	842,979	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
07-94-00747	IASD HEALTH SERVICES CORP. - UNFUNDED PENSION	05/94	10,331	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
07-94-00768	BC/BS of SC - PENSION SEGMENTATION	09/94	840,493	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
07-94-00769	BC/BS of SC - PENSION COSTS	09/94	329,001	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
07-94-00770	BC/BS of SC - UNFUNDED PENSION	09/94	793,508	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
07-94-00777	BC/BS of GA - PENSION COSTS	10/94	90,736	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.

	Auditee	Date Issued	Amount \$	Explanations
07-94-00778	BC/BS of GA - UNFUNDED PENSION	10/94	363,921	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
07-94-00779	BC/BS of GA - PENSION SEGMENTATION	10/94	113,256	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
07-94-00805	BC/BS of TN - PENSION SEGMENTATION	01/95	1,400,063	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
07-94-00816	BC/BS of TN - UNFUNDED PENSION	01/95	352,026	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
07-94-00817	BC/BS of AL - UNFUNDED PENSION	07/95	912,730	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.

	Auditee	Date Issued	Amount \$	Explanations
07-94-00818	BC/BS of AL - PENSION SEGMENTATION	07/95	951,281	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
07--94-01107	BC/BS of FL - PENSION SEGMENTATION	04/96	813,122	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
07-95-01126	BC/BS of FL - UNFUNDED PENSION	04/96	4,049,889	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
07-95-01149	BC/BS of TEXAS - PENSION	04/96	874,111	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
07-95-01150	BC BS of Oregon - Pen Segm	08/97	191,312	HCFA is pursuing collection of the overpayment.
07-95-01151	Oregon BC/BS - Unfunded PenE	08/97	260,335	HCFA is pursuing collection of the overpayment.
07-96-01189	BC of WA and AK -Pension segmentation	12/97	96,740	HCFA is pursuing collection.
07-96-38172	State of IA (OGM)	09/96	29,381	The State has processed the credits, however, they are still determining when the credits were returned to HCFA via the HCFA-64.
07-96-44051	State of IA (OGM)	02/97	45,958	HCFA is working with the State to resolve this audit.
07-97-01205	BC of Washington and Alaska	12/97	15,688	Review of pension costs claimed for Medicare reimbursement.

	Auditee	Date Issued	Amount \$	Explanations
07-97-01206	BC of Washington and Alaska-unfunded pension costs	12/97	106,843	HCFA is working to resolve this issue.
07-97-01209	BC/BS of MS	01/98	224,711	HCFA review of pension segmentation.
07-97-01210	BC/BS of MS	01/98	482,549	HCFA is working to resolve unfunded pension costs.
07-97-01211	BC/BS of MS	01/98	134,312	HCFA is working to resolve pension costs claimed for medicare reimbursement.
08-94-00739	BC/BS of ND - PENSION SEGMENTATION	01/95	730,875	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
08-94-00740	BC/BS of ND -UNFUNDED PENSION	01/95	671,198	HCFA is working with all Medicare contractors to obtain signed advance agreements which set forth the terms and conditions of the amended Cost Accounting Standards (CAS 412). Implementation of the advance agreements will subsume and close out the currently outstanding pension audits.
09-89-00162	NATIONWIDE EMPLOYER PROJECT - MSP PAYER	03/95	2,218,824	Demand letters were sent to employers listed in the audit. D.C. Circuit Court's decision in the HIAA vs. Shalala case will result in few recoveries of funds from EGHPs, because of EGHP's timely filing limits. HCFA is attempting to fix the HIAA decision via new legislation.
09-95-00072	CA DHS	11/96	4,013,490	HCFA is pursuing collection of the overpayment.
09-96-00061	BS of California	06/98	1,006,192	HCFA is reviewing administrative costs.
14-96-00202	Unlicensed Health Care Providers	09/97	2,931	HCFA is pursuing Medicare payments.
17-95-00096	HCFA Financial Statement	05/98	300,000	HCFA is reviewing financial statements for fiscal year 1996.

	Auditee	Date Issued	Amount \$	Explanations
17-97-00097	HCFA Financial Statement	09/98	141,796	HCFA is reviewing financial statements for fiscal year 1997.
01-06082	Rural Health Centers - Maine	12/90	23,163	HRSA demand letter sent on 2/26/97.
01-36087	State of Maine	03/96	2,643	HRSA--Demand letter sent 08/25/99.
02-06275	Newark Community Health Centers	11/90	14,038	HRSA--demand letter sent on 12/19/97.
02-15053	Northwest Buffalo Comm.	12/91	9,281	HRSA--Referred to DFO Claims 6/26/97.
02-16577	Newark Community Health Centers, Inc.	11/92	31,708	HRSA--Demand letter sent on 12/19/97.
03-03313	Greater Philadelphia Health Action, Inc.	06/93	13,940	HRSA--Repayment agreement reached.
03-18235	Western PA Hospital of Nursing	10/92	5,559	HRSA--Partial payment on 05/99.
03-21785	D.C. Department of Human Services	03/94	7,726	HRSA--Demand letter sent 12/19/97.
03-51956	St. Charles Health Council	09/98	2,300	HRSA--Demand letter sent 06/15/99
06-27049	Greater Houston HIV Alliance	09/94	20,752	HRSA--Demand letter sent on 12/19/97.
04-24751	Vicksburg-Warren Community Health Center	12/93	590	HRSA--Debt referred to Justice Dept. 01/05/99.
04-50281	Aaron E. Henry CHC	09/98	3,017	HRSA--Demand letter sent 06/15/99.
04-51913	Borinquen Health Care Center, Inc.	09/98	815	HRSA--Demand letter sent on 06/15/99.
07-06845	Model Cities Health Corp.	10/90	41,406	HRSA--Under appeal, verified 10/14/97.
09-22308	Community Hlth. Foundation of Los Angeles, CA., Inc.	09/93	36,968	HRSA--demand letter sent on 04/04/97.
06-91-00089	Creek Nation of OK.	04/92	445,890	IHS--We received a notification this matter has been resolved. The amended OCD will be forwarded shortly.
06-92-00017	Muscogee Creek Nation of OK.	05/92	468,217	IHS--This audit is currently under litigation; no further action will be taken until a court decision is rendered.
03-95-03313	Quality Resource Systems, Inc.	03/95	28,387	IHS--Management has decided to uphold these findings; the vendor has relocated and has not been notified.

	Auditee	Date Issued	Amount \$	Explanations
10-97-48639	Nooksack Indian Tribe	08/97	9,440	IHS-Currently under litigation.
03-90-00453	West Virginia	03/91	12,850,856	PSC/DCA-At District Court - Collection suspended on 03/12/97.
09-92-00115	California	02/95	140,880,675	PSC/DCA-At the Department of Justice - Collection suspended 12/30/96.
01-94-27891 01-95-36087	State of Maine	05/98	6,090,577	PSC/DCA -- Collection suspended.
08-87-05251	Devil Lake	03/87	50,333	OS--Transferred to the Treasury Offset Program (TOP) for offset.
09-96-39220	Public School	04/96	4,396	OS--Transferred to the TOP for offset.
10-93-22826	Nooksack	11/93	3,323	OS--Transferred to the TOP for offset.
08-86-43199	Am Indian	01/97	12,696	OS--Transferred to the TOP for offset.
09-93-24906	California	04/95	56,758	OS--Transferred to the TOP for offset.
04-04183	Columbus County Services	07/94	35,167	SAMHSA--Pursuing collection.
03-00353	DC Dept. of Human Services	04/95	257,195	SAMHSA--Pursuing collection.
09-40113	Marianas Assoc. for Retarded Citizens	05/96	1,023	SAMHSA--Pursuing collection.
09-39877	Amity, Inc.	07/98	489,110	SAMHSA--Pursuing collection.
09-48966	Karidat	09/97	8,696	SAMHSA--Pursuing collection.
03-03316	North Star Youth Services	03/93	518,575	SAMHSA--under appeal.
09-96-41444	Immigrant Center	03/97	2,495	CDC--Pursuing collection.
01-96-37165	Haitian American Public Health Initiative	03/97	20,209	CDC--Pursuing collection.
01-97-47924	Susan G. Komen Breast Cancer Foundation	05/98	47,893	CDC--Pursuing collection.
03-98-51634	City of Philadelphia, Pa.	06/98	93,690	CDC--Pursuing collection.
04-98-51239	State of Alabama	09/98	227,200	CDC--Pursuing collection.
03-96-41385	National Assoc. for Equal Opportunity in Higher Education	04/97	51,654	CDC--Pursuing collection.
05-96-40217	Wisconsin Association of Black Social Workers, Inc.	03/97	1,649	CDC--Pursuing collection.

SUMMARY OF OPDIV Audit Reports Over One Year Old

OPDIV	Number of Reports	Amount to Be Collected \$
Administration for Children and Families	93	49,384,030
Administration on Aging	0	0
Centers for Disease Control and Prevention	7	444,790
Food and Drug Administration	0	0
Health Care Financing Administration	105	145,081,321
Health Resources and Services Administration	15	213,905
Indian Health Services	4	951,934
National Institute of Health	0	0
Office of the Secretary	5	127,506
Program Support Center	4	159,822,108
Substance Abuse and Mental Health	6	1,309,766
TOTAL	239	162,211,314

TABLE II

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Management Action on OIG Reports With
Recommendations That Funds Be Put to Better Use
As of September 30, 1999

	Number	Disallowed Cost \$
A. Reports for which final action has not been taken by the commencement of the reporting period.	8	160,338,300
B. Reports on which management decisions were made during the reporting period.	45	862,432,973
Subtotal (A & B)	53	1,022,771,273
C. Reports for which final action was taken during the reporting period:		
(I) The dollar value of recommendations that were actually completed: -- based on management action: -- based on legislative action:	48	996,722,665
(ii) The dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed.	0	0
Subtotal (I & ii)	48	996,722,665
D. Reports for which no final action has been taken by the end of the reporting period. See Note 1.	5	26,048,608

Note 1: Includes the following list of 5 reports with recommendations to put funds to better that were pending for more than one year. These reports involve major policy questions as well as legislative remedies that are difficult and time consuming to resolve.

**Reports Containing Recommendations
To Put Funds To Better Use
Pending More Than One Year
As of September 30, 1999**

Audit No	Auditee	Date Issued	Amount \$	Explanations
04-95-02110	SC BC (Hospice of Lake & Sumter, Inc.) - ORT	04/97	2,500,000	HCFA is reassessing whether seeking the identified OIG hospice overpayment is the appropriate action to take.
05-95-00060	Wisconsin Department of Health and Social Services	09/97	2,400,000	The State of Wisconsin plans to establish a workgroup to meet and review HMO financial data related to Medicaid HMOs.
06-92-00043	BC/BS of Texas, Inc.- GME Costs	03/94	4,078,960	Corrective action cannot be implemented pending the resolution of an objection lodged by the providers legal counsel with the OIG,OGC.
02-91-00860	Mental Health services in Nursing Homes - ORT	09/96	17,000,000	HCFA is developing changes to respond to comments.
06-95-00095	Palmetto Gov. Ben. Admin. (Fam. Hospice/Dallas) - ORT	04/97	69,648	HCFA is reassessing whether seeking the identified OIG hospice overpayment is the appropriate action to take.

SUMMARY:

OPDIV: Health Care Financing Administration

Total Number of Reports: 5

Total Amount for Better Use: \$26,048,608